

Thomas Walters  
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30 January 2024

U.S. Bankruptcy Court  
405 E 8th Avenue #2600  
Eugene, Oregon 97401

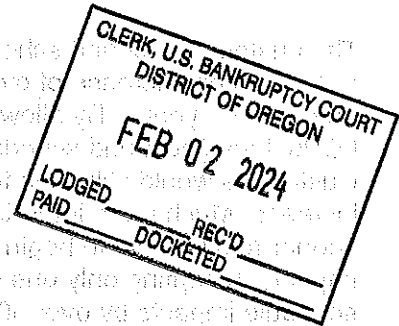
Case No. 23-62260-DWH11

Objection to Reject Certain Customer Contracts by Van's Aircraft, Inc.

Van's Aircraft, Inc. (Van's) filed for bankruptcy and provided a notice of intent to reject certain contracts. This notice provided customers two options: agree to new terms and prices for any unfilled orders or file a claim in bankruptcy court. Many customers had completed orders that were fully paid-for and were awaiting shipping well prior to the bankruptcy filing. In my case, both my RV-14A Quick-Build (QB) wing and fuselage kits were ready to ship in Aug-Sep '23. However, these kits were held by Van's due to concerns over Laser Cut Parts (LCP). Since the bankruptcy filing Van's has released new engineering data and revised solutions to address concerns over LCPs. Van's has also stated they will not be shipping any new kits with LCPs. Customers who have fully paid orders for kits should be provided a third option to accept those existing, fully paid-for kits (which may contain LCPs) under the pre-bankruptcy terms/prices. This third alternative provides a "win-win" solution for both Van's and the customers who chose to exercise this option.

Van's bankruptcy filing and the LCP issues have had a significant impact on both Van's and its customers. While there are numerous and varied consequences for each customer, the most significant are cost and schedule; both factors must be considered when evaluating options for customers under Van's reorganization. For those customers who want to continue their build, the sole option to agree to new terms has a significant impact on both cost AND schedule. While Van's has published new kit prices, and information for third party orders (engines, etc.), they have been unable or unwilling to provide any schedule estimates for new kit deliveries. More significant is the unknown prioritization of the new kit orders—will Van's use the original order date, the new re-order date, revenue paid or revenue due, or any other factors to prioritize kits/customers? Van's should be required to both determine and disclose to customers the methodology used for prioritizing and fulfilling new re-orders under bankruptcy. The schedule impact and uncertainty coupled with a short deadline to accept new terms places an undue burden on creditors and should be rectified.

Van's guidance and solutions for the LCP issue has evolved over time. The most recent engineering information from Van's indicates that the vast majority of LCPs are suitable for use, and Van's has developed a plan to provide replacement parts and/or other repairs for customers who have already received kits with LCPs. Van's has also stated they will not be shipping any future kits with LCPs. When asked what would happen to existing QB kits, (i.e. with LCPs) that were in Van's warehouse ready to ship prior to bankruptcy, Van's informed they would either be reworked or scrapped. Both would have negative cost and schedule impact to Van's. Providing those existing kits to customers who are willing to accept them would significantly reduce that impact: a "win" for Van's.



The customer cost and schedule impact of reordering kits is significant. For my specific kit orders, a cost increase of over 33% and \$36,000 is expected, along with a schedule delay of one to three years! By allowing fully paid customers the option to accept existing kits with LCPs, those cost and schedule impacts are not eliminated, but would be significantly reduced. Customers would still have to purchase replacement parts, but at a much lower total cost increase. Much more importantly, customers who chose this option would receive kits much sooner and be able to begin LCP repairs; again, a significant reduction to the overall schedule impact. Accepting only one existing kit (RV-14A QB fuselage) would reduce both my cost and schedule impacts by over 50%! These benefits make this option an attractive solution for many individuals: a "win" for the customer.

In conclusion, the court should direct Van's to provide customers who have fully paid-for completed kits the option to accept those kits with LCPs under the original pre-bankruptcy terms/prices and receive replacement parts in accordance with the existing and planned LCP replacement part program that Van's has implemented.

Sincerely,



Thomas A. Walters

Customer/Builder No. 141135

Master Account No. M032886

cc:

Van's Aircraft, Inc., Attn.: Tammy Flores, 14401 Keil Rd. NE, Aurora, OR 97002

Tonkon Torp, Attn: Timothy J. Conway, 888 SW Fifth Ave., Suite 1600, Portland OR 97204

The Office of the U.S. Trustee, 1220 SW 3rd Ave., Rm. 315, Portland OR 97204

The Subchapter V trustee, Mr. Kenneth S. Eiler, 515 NW Saltzman Rd., PMB 810, Portland, OR 97201

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF OREGON

In re

Van's Aircraft, Inc.,

Debtor.

Case No. 23-62260-DWH11

**NOTICE OF INTENT TO REJECT  
CERTAIN CUSTOMER CONTRACTS  
ON JANUARY 30, 2024, EXCEPT  
THOSE WHERE DEBTOR AND  
CUSTOMER AGREE TO  
MODIFICATION**

**NOTICE IS HEREBY GIVEN** to the following party:

**WALTERS, THOMAS** See list attached as Exhibit A.

**PLEASE TAKE NOTICE** that on December 4, 2023, Debtor filed its Omnibus Motion to Reject Customer Contracts Unless Otherwise Agreed and Establish Procedures Therefore [ECF No. 9] (the "Motion"), which proposes to reject certain executory contracts with its customers ("Kit and Aircraft Contract(s)"), unless the Debtor and customer agree to modify those contracts by January 30, 2024 (the "Rejection Date").

A copy of the above-described Motion may be inspected at <https://cases.creditorinfo.com/vansaircraft>, at the clerk's office at the address shown below, or at the service address of the undersigned listed below. The proposed Rejection Date in the Motion was January 15, 2024, but has now been extended to January 30, 2024.

Debtor is offering its customers of Kit and Aircraft Contract(s), including you, the ability to agree to modify your purchase agreement with Debtor and apply your present Kit and Aircraft Contract deposit(s) to the purchase of the same item(s) at new increased pricing. To modify your Kit and Aircraft Contract(s) in this manner, please go to

<https://vansaircraft.smartexchange.com/portal> or refer to the email that you received from Debtor that provides a link to a secure web portal. This web portal will answer questions to

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TONKON TORP LLP  
888 SW FIFTH AVE., SUITE 1600  
PORTLAND, OR 97204  
503.221.1440

frequently asked questions and provide detailed instructions as to how to modify your Kit and Aircraft Contract(s).

Please be advised that this notice pertains only to the Kit and Aircraft Contract identified by the Sales Order number listed above. If you have an undelivered order and/or deposit on an engine, powerplant kit, propeller, avionics, or other items, those items are not subject to this notice. Van's will contact you about its plans for these products as soon as the plans are established.

If you do not modify your Kit and Aircraft Contract identified above with Debtor by January 30, 2024, Debtor intends to reject that Kit and Aircraft Contract. You will then have to file a claim in the bankruptcy for the amount of your deposit. If you object to the proposed rejection of your contract ("Objection"), you must file the Objection with the clerk of court at U.S. Bankruptcy Court, 405 E 8th Avenue #2600, Eugene, Oregon 97401 and serve the Objection so that it is actually received by the following parties (collectively, the "Objection Service Parties") **no later than fourteen (14) calendar days after the date Debtor served this Notice on you:**

- (i) Van's Aircraft, Inc., Attn.: Tammy Flores, 14401 Keil Rd. NE, Aurora, OR 97002;
- (ii) Tonkon Torp, Attn: Timothy J. Conway, 888 SW Fifth Ave., Suite 1600, Portland, OR 97204;
- (iii) The Office of the U.S. Trustee, 1220 SW 3rd Ave., Rm. 315, Portland OR 97204;
- (iv) The Subchapter V trustee, Mr. Kenneth S. Eiler, 515 NW Saltzman Rd., PMB 810, Portland, OR 97201; and
- (v) All entities that have filed a request for service of filings in the above-captioned chapter 11 case pursuant to Bankruptcy Rule 2002.

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If you do not file an Objection within fourteen (14) calendar days of the date Debtor served this Notice and you and Debtor have not reached agreement by January 30, 2024 to modify your Kit and Aircraft Contract(s) in a manner acceptable to you and Debtor, Debtor may submit to the Court a proposed order rejecting the applicable Kit and Aircraft Contract(s) (the "Rejection Order"), together with a statement that there was no timely Objection.

If you file a timely Objection to the rejection of any Kit and Aircraft Contract and that Objection is not withdrawn or resolved, Debtor will file a notice for a hearing to consider the Objection. If such Objection is overruled or withdrawn, such Kit and Aircraft Contract shall be rejected as of the Rejection Date set forth in the Notice or such other date to which you and Debtor have agreed, or as ordered by the Court.

If your Kit and Aircraft Contract(s) are rejected and you seek to file a claim against Debtor, you must file a proof of claim relating to the rejection of such Kit and Aircraft Contract(s) by the later of February 12, 2024 or 30 days after your Kit and Aircraft Contract(s) are rejected. A proof of claim form may be completed and filed at: <https://cases.creditorinfo.com/vansaircraft>. You should consult your own legal advisor with respect to filing your claim, but you may be entitled to file part of your claim as a priority unsecured claim under section 507(a)(7) of the Bankruptcy Code and the balance of your claim as a general unsecured claim. Treatment of claims will be determined later in the case pursuant to a Plan of Reorganization.

For questions or problems related to filing a proof of claim, please email [info@bmcgroup.com](mailto:info@bmcgroup.com), or call 1-888-909-0100.

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DATED: January 10, 2024

TONKON TORP LLP

By /s/

Timothy J. Conway, OSB No. 851752  
Michael W. Fletcher, OSB No. 010448  
Ava Schoen, OSB No. 044072  
Attorneys for Debtor

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The following are some of the most common types of errors found in the manuscript:

- Incorrectly transcribed numbers (e.g., 100 instead of 10).
- Missed or extra punctuation marks.
- Incorrect capitalization of letters.
- Spelling corrections (e.g., "the" instead of "to").

The corrected version of the manuscript is provided below.

[illegible]



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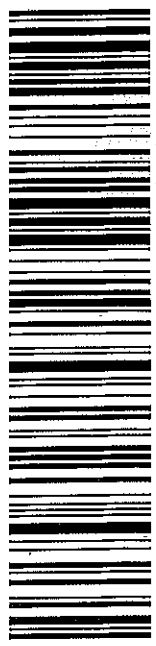


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Eugene, Oregon 97401



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